

Companies
House

Project Genesis Limited

Financial Statements

for the year ended 30th June 1998



Chairman

J W Fawcett

Registered Office

Woodthorpe Hall
Old Tupton
Chesterfield
Derbyshire
S42 6HJ

Executive Directors

J W Fawcett
Mrs C W Fawcett
Emeritus Professor B Smythe
Reverend J Hogarth (retired 15 September 1997)
A Hill (appointed 15 September 1997)

Secretary

Mrs C W Fawcett

Auditors

Mitchells
93-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

Bankers

Royal Bank of Scotland PLC
5 Church Street
Sheffield
S1 1HF

Solicitors

Dibb Lupton Alsop
Robert Muckle
Clifford Chance

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3	Auditors' Report
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The directors submit their report together with the audited financial statements for the year ended 30th June 1998.

Year 2000

The directors are aware of the year 2000 issue and intend to undertake procedures during the forthcoming year to ensure that the internal systems of the company are year 2000 compliant.

The trading loss for the year after taxation was £- all of which has been transferred to reserves.

The directors do not recommend the payment of a dividend.

Principal activity

The principal activity of the company is the regeneration and development of sites adjoining the town centre of Consett, including the 700 acre site known as Berry Edge.

Directors and their interests

The directors of the company at 30th June 1998, all of whom have been directors for the whole period, except as noted, were as follows:

'A' Directors - J W Fawcett

Mrs C W Fawcett

'B' Directors - Emeritus Professor B Smythe

Reverend J Hogarth (retired 15 September 1997)

A Hill (appointed 15 September 1997)

In accordance with the 'Shareholders Agreement', the day to day activities of the company are vested in an executive committee which comprises the 'A' Directors.

The directors had no direct interest in the shares of the company at 30th June 1998, according to the register required to be kept by Section 325 of the Companies Act.

Emeritus Professor Smythe, Reverend Hogarth and A Hill have an indirect interest in the company by virtue of the fact that they are trustees of Project Genesis Nominees Limited which held 1 'B' share at 30th June 1998.

Dysart Developments Limited, a company in which Mr Fawcett and Mrs Fawcett each own 125,000 shares, held 1 'A' share at 30th June 1998.

Shares are also held by Mr and Mrs Fawcett in other group companies. In Dysart (Tyne & Wear) Limited they own 100 shares. In Redshield Investments Limited Mr Fawcett owns 1 share and in Dysart Developments (North East) Limited Mr and Mrs Fawcett own 1 share.

Cashflow statement

In the opinion of the directors the company qualifies as a small company and as such no cashflow statement has been prepared.

Directors' statement

Company law requires us as directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The Auditors, Mitchells, have indicated their willingness to accept re-appointment under Section 385A(2) of the Companies Act 1985.

By Order of the Board:



MRS C W FAWCETT
Secretary

Date: 3 February 1999

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 30th June 1998

We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost convention, and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Mitchells
and Registered Auditors**

Date: 8 February 1999

93-97 Saltergate
Chesterfield
Derbyshire
S40 1LA

Project Genesis Limited**Profit and Loss Account****for the year ended 30th June 1998**

	Notes	1998 £	1997 £
Turnover	2	1,230,758	2,389,159
Operating costs		(1,138,357)	(2,388,038)
Other operating income		18,737	4,932
Operating profit	3	111,138	6,053
Interest and similar charges	4	(111,138)	(6,053)
Loss on ordinary activities before taxation		-	-
Retained loss transferred from reserves	13	-	-

All amounts relate to continuing activities.

There have been no recognised gains or losses other than the results for the financial year and all profits/losses have been accounted for on an historical cost basis.

Balance Sheet

as at 30th June 1998

	Notes	1998 £	1998 £	1997 £	1997 £
Fixed assets					
Tangible fixed assets	6		224		299
Investments	7		1		1
			<u>225</u>		<u>300</u>
Current assets					
Long term work in progress	9	188,994		295,213	
Debtors	10	111,542		204,032	
Cash at bank and in hand		136,848		142,499	
		<u>437,384</u>		<u>641,744</u>	
Creditors:					
Amounts falling due within one year	11	440,403		644,838	
		<u></u>		<u></u>	
Net current liabilities			<u>(3,019)</u>		<u>(3,094)</u>
Total assets less current liabilities			<u>(2,794)</u>		<u>(2,794)</u>
Capital and reserves					
Share capital	12		2		2
Profit and loss account	13		(2,796)		(2,796)
			<u>(2,794)</u>		<u>(2,794)</u>
Equity Shareholder Funds			<u>(2,794)</u>		<u>(2,794)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board on 3rd February 1999 and signed upon its behalf by:


 J W Fawcett


 Mrs C W Fawcett
 Directors

1 Principal accounting policies**Accounting convention**

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation, less estimated residual values of tangible fixed assets by reducing balance method over their expected useful lives. The rates generally applicable are:

Fixtures & fittings	25% - reducing balance
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Group accounts

The company has taken advantage of the legal dispensation allowing it not to prepare and publish group accounts, as it is a wholly owned subsidiary of another United Kingdom registered company.

Investments in subsidiary companies

Investments in subsidiary companies are stated at the cost of acquisition. Provision is made against investments where their value at the balance sheet date is lower than cost.

Long-term contracts

Turnover on long term contracts represents total costs incurred plus attributable profit for each development. Profits are included in the financial statements when a legally binding contract for the sale of the development has been entered into and the outcome of the development can be determined with reasonable certainty. Profits attributable to a financial period are calculated by reference to the proportion of a development's construction costs incurred in that period. Provision is made for losses on long term contracts as soon as such losses become apparent.

The amount by which payments on account exceed turnover is shown under current liabilities and where turnover exceeds payments on account the difference is shown under debtors as amounts recoverable on contracts.

Costs on long term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown as long term work in progress.

30th June 1998

Deferred taxation

Provision is made for deferred taxation under the liability method, at the rate of corporation tax ruling at the end of the financial year, except to the extent that any tax reduction will continue for the foreseeable future. In the opinion of the directors the amounts are not material and accordingly no deferred taxation has been provided.

2 Turnover

The turnover and operating loss for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Operating loss

The operating loss is stated after charging:

	1998	1997
	£	£
Auditors remuneration	2,600	2,500
Depreciation on owned assets	75	99

4 Interest payable

	1998	1997
	£	£
Bank funding and overdraft facility	111,138	6,053

6 Tangible fixed assets

	Fixtures & fittings	Total
	£	£
Cost		
At 1st July 1997	398	398
At 30th June 1998	398	398
Depreciation		
At 1st July 1997	99	99
Charged for the year	75	75
At 30th June 1998	174	174
Net book value		
At 30th June 1998	224	224
At 1st July 1997	299	299

30th June 1998

7 Fixed asset investments

Share in Project Genesis (Town Centre) Ltd

	Unlisted share	Total
Cost	£	£
At 1st July 1997	1	1
At 30th June 1998	1	1

8 Principal fixed asset investments

The company holds more than 10% of the share capital of the following:

Name	Country of registration (or incorporation) and operation	Class of share	Proportion held	Nature of business
Subsidiary undertaking: Project Genesis (Town Centre) Limited	England	Ordinary	100%	Property development

At 30th June 1998 Project Genesis (Town Centre) Limited had retained profits of £nil and net assets of £1.

9 Long term work in progress

	1998 £	1997 £
Contract costs	584,793	1,997,729
Less payments on account	(395,799)	(1,702,516)
	188,994	295,213

10 Debtors

	1998 £	1997 £
Trade debtors	92,625	17,625
Other debtors	-	173,563
Prepayments and accrued income	18,917	12,844
	111,542	204,032

Notes to the Financial Statements

30th June 1998

11	Creditors: amounts falling due within one year	1998	1997
		£	£
	Trade creditors	10,817	551,916
	Other taxes and social security	307	-
	Amounts owed to group company	405,769	29,240
	Accruals and deferred income	23,510	63,682
		440,403	644,838
12	Share capital	1998	1997
		£	£
	Authorised 'A' shares of £1 each	50	50
	Issued and fully paid 'A' shares of £1 each	1	1
	Authorised 'B' shares of £1 each	50	50
	Issued and fully paid 'B' shares of £1 each	1	1
13	Statement of reserves		Profit and Loss Account £
	At 1st July 1997		(2,796)
	Prior year adjustment		-
	At 30th June 1998		(2,796)
14	Reconciliation of movements in shareholders' fund	1998	1997
		£	£
	Net (reduction in) shareholders' funds	-	-
	Opening equity shareholders' funds	(2,794)	(2,794)
	Closing equity shareholders' funds	(2,794)	(2,794)
15	Ultimate holding company		

The directors consider Dysart Developments Limited, a company incorporated in England and Wales, to be the ultimate holding company.

16 Related party transactions

Project Genesis Limited paid £387,473 for development fees to Dysart Developments Limited, a company related by common control. At the year end £441,595 was owed by Project Genesis Limited to Dysart Developments Limited.

Also at the year end, the company was owed amounts by other companies under common control. Dysart Developments (North East) Limited owed £264 and Project Genesis Management Company Limited owed £35,250.